

CHAPTER 2: SECTION 1

FY02-03 COFRS TABLE INITIALIZATION

On March 2, COFRS will run the new year table initialization (NYTI) process to initialize tables for FY02-03. The NYTI program identifies all reference tables with either “Fiscal Year” or “Budget Fiscal Year” as the first key field, and then automatically creates a new year table with the same information as the prior year. A list of the tables initialized by this process is included in Chapter 2, Section 1.3.

Agencies should review their FY01-02 account code structure (both the required codes and the optional codes) to determine if the structure will meet their needs for FY02-03. Agencies may begin to modify agency defined tables or request modifications to centrally defined tables for FY02-03 on March 4. Following are the key dates for this section.

KEY DATES

| | |
|---------|---|
| March 4 | New year tables available; agencies can begin changing agency defined tables and request changes to centrally defined tables (including budget tables). |
|---------|---|

1.1 Changes to Centrally Defined Tables

To request changes to any centrally defined table other than budgetary tables, contact Alan Boisvert at the SCO. His telephone number is 303-866-3894; his e-mail address is alan.boisvert@state.co.us or you may send a memo to him at the SCO. See Chapter 2, Section 2 for a discussion of the budgetary tables: LBAR, LBGR, FSCT, LBLR, APP2, and APPV. As a reminder, these centrally defined tables are for statewide use, and SCO may not be able to meet all individual agency needs on these tables.

1.2 Recurring Entries

The recurring adjusting journal voucher table (REJA), recurring journal voucher table (REJV) and recurring payment voucher table (REPV) may require re-establishment for the new fiscal year. These tables are not rolled forward through the NYTI process.

Any record on the REJA, REJV, and REPV tables with a date of June 30 of the closing year or earlier in the **ENTRY END DATE** field will not generate transactions in the new fiscal year. If the table record has a date later than June 30 of the closing year (e.g., June 30, 2003) in the **ENTRY END DATE** field, transactions will continue to generate until that end date is reached.

Agencies should review their records on these tables before July 1 (date when the first recurring transactions for the new fiscal year will be generated). The end date may need to be extended, and two other types of changes to the tables may be required. First, the accounting distribution codes for existing records may require modification to conform to the FY02-03 account code structure. Second, in some cases the transaction ID of a referenced purchase order may need to be changed.

To add or change a record for the new year, enter “03” in the **FY** (fiscal year) field. This allows the new record to edit against FY02-03 reference tables. This field automatically defaults back to the current fiscal year (02) after the add or change action is completed.

Although recurring entry records for the new fiscal year may be added at any time prior to July 1, records should not be changed at least until June 5 to allow the June recurring transactions to be generated; June transactions (last for the old fiscal year) will generate on June 3.

1.3 List of COFRS Tables Initialized for FY02-03

The following tables have been initialized for FY02-03.

| TABLE | TABLE NAME |
|-------|--|
| AGCL | Agency Class Table |
| AGCT | Agency Category Table |
| AGCY | Agency Table |
| APP2 | Appropriation Code Reference Table |
| APRD | Accounting Period Table |
| BACC | Balance Sheet Account Table |
| BANK | Bank Account Table |
| BCAT | Balance Sheet Category Table |
| BCLS | Balance Sheet Class Table |
| BDCT | Budget Category Table |
| BGRP | Balance Sheet Group Table |
| CERT | Cost Element Reference Table |
| CHRG | Charge Class Table |
| CLDT | Calendar Date Table |
| ESOP | Extended Purchasing System Control Options Table |
| FAGY | Fund/Agency Table |
| FCAT | Fund Category Table |
| FCCA | Function Category Table |
| FCCL | Function Class Table |
| FCGR | Function Group Table |
| FCLS | Fund Class Table |
| FCTP | Function Type Table |
| FDGP | Fund Group Table |
| FOBL | Federal Obligation Ledger Table |
| FSCT | Funding Source Code Table |
| FSYR | Fiscal Year Table |
| FUNC | Function Table |
| FUND | Fund Table |
| FUPH | Function Sub-Phase Table |
| GBLC | Grant Budget Line Code Table |
| GGBL | Revenue Accrual To-GBL Validation Table |
| GVAL | Grant Validation Table |
| LBAR | Long Bill Group Accumulation Reference Table |
| LBGR | Long Bill Group Reference Table |
| LBLR | Long Bill Line Item Reference Table |
| LHAC | LDC Holding Account Table |
| OBAS | Obligation Authority Status Table |
| OBJT | Object Table |
| OCAT | Object Category Table |
| OCLS | Object Class Table |
| OGRP | Object Group Table |
| OHDT | Overhead Distribution Table |
| OHRT | Overhead Rate Table |

| TABLE | TABLE NAME |
|-------|---|
| ORGN | Organization Table |
| OTYP | Object Type Table |
| PBAA | Project Billing Account Reference Table |
| PBPD | Project Definition Billing Pool Table |
| PBPT | Project Billing Revenue Parameter Table |
| PBRA | Project Billing Application Table |
| PBRV | Project Billing Reference Table |
| PCAT | Program Category Table |
| PCLS | Program Class Table |
| PGMT | Program Table |
| PGRP | Program Group Table |
| PPGM | Phase/Program Table |
| PSCH | LDC Position Schedule Table |
| PTYP | Program Type Table |
| RCAT | Revenue Category Table |
| RCLS | Revenue Class Table |
| REVA | Revenue Accrual Table |
| RGRP | Revenue Group Table |
| RPCL | Reporting Category Class Table |
| RPTC | Reporting Category Table |
| RSRC | Revenue Source Code Table |
| RTYP | Revenue Type Table |
| SOBJ | Sub-Object Table |
| SOBL | State Obligation Ledger Table |
| SOCL | Sub-Object Class Table |
| SOCT | Sub-Object Category Table |
| SOPT | System Control Options Table |
| SORG | Sub-Organization Table |
| SPEC | System Special Accounts Table |
| SRCL | Sub-Revenue Class Table |
| SRCT | Sub-Revenue Category Table |
| SREV | Sub-Revenue Source Table |

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CHAPTER 2: SECTION 2

FY02-03 BUDGET

This section deals primarily with budgetary issues for opening the new fiscal year. Included in this section are discussions of the budget hierarchy, spending authority indicators, Long Bill booking, expense budgets, special bill booking, and the carryforward of custodial funds. Following are key dates for this section.

KEY DATES

| | |
|-----------|--|
| March 4 | New year budget tables available. |
| March 29 | Begin nightly run of book process. |
| June 20 | Target date for communicating new revenue receiving account coding to Department of Revenue. |
| June 21 | Deadline for agencies' level 3 approval on AP transactions needed to record the FY02-03 Long Bill. |
| June 28 | Deadline for having FY02-03 Long Bill recorded, approved and reconciled. Deadline for recording expense budgets. |
| August 9 | Target date for booking of State Controller approved rollforwards. |
| August 30 | Completion date for booking all continuing capital construction appropriations and special bills. |

2.1 COFRS Budgetary Hierarchy Edits

COFRS has system edits that control a hierarchy for budgetary codes. This hierarchy ensures the accurate roll-up of information for statewide, departmental and agency level budget reports. To ensure the integrity of the roll-ups, SCO establishes and maintains all coding on the following budgetary tables:

LBAR - Long Bill Accumulation Table
 LBGR - Long Bill Group Reference Table
 FSCT - Funding Source Code Table
 LBLR - Long Bill Line Item Table

The APP2 table is a hybrid table because the agency does the initial entry on the table, but any subsequent changes and approvals (approvals through the APPV table) are done by the SCO. Therefore, if an agency wishes to change any APP2 table entry, they must contact their field accounting specialist to make the change. For FY02-03, this may be done any time after March 4.

The budgetary hierarchy establishes a link between all appropriation coding that follows a basic "one-to-one" or "one-to-many" logic from top to bottom that is a reflection of the Long Bill. This logic is described below. In the following descriptions, alphanumeric means the first character of

any code must be alpha (the convention is the first letter of the agency code) and the subsequent characters may be alpha or numeric.

Long Bill (LB) Group Accumulator:

There may be one or many accumulators to a single department. Accumulators are established by SCO and are alpha for appropriated and alphanumeric for nonappropriated.

Long Bill (LB) Group:

There may be one or many LB groups to a single LB group accumulator. Groups are established by SCO and are alpha for appropriated and alphanumeric for nonappropriated.

Funding Source Code:

There may be one or many funding source codes to a single LB group. Funding source codes are established by SCO and are alpha for appropriated and numeric for nonappropriated.

Long Bill (LB) Line Item:

There may be one or many LB line items to a single funding source code. LB line items are established by SCO and are numeric for appropriated and alphanumeric for nonappropriated.

Appropriation Code:

There may be one or many appropriation codes to a single LB line item. Appropriation codes are determined by agencies and may be alpha, numeric, or alphanumeric. See Chapter 4 Section 1.2 for the requirements related to nonappropriated capital construction.

The NYTI process identifies all FY01-02 LBAR, LBGR, FSCT, LBLR, and APP2 tables with an active status and populates those tables for FY02-03 based on the FY01-02 structure. If any of the LBAR, LBGR, FSCT or LBLR table values are inactive within a particular hierarchy structure, the APP2's in that structure will also be inactive; none of the inactive table values are captured by NYTI.

SCO uses the first introduced copy of the Long Bill to ensure that all centrally defined codes are in the system either as a rollforward from the prior year by NYTI or as a new entry. This is completed as soon as possible after we receive the first introduced copy (depending on the date of the preliminary Long Bill). SCO distributes a coded copy of the preliminary and final Long Bill to each department as soon as possible. Agencies may begin adding new APP2 entries or requesting changes to existing APP2 entries beginning March 4.

All APP2 tables rolled from the prior year populate in FY02-03 as non-approved. Please work closely with your field accounting specialist to ensure your FY02-03 APP2 tables are correct and approved to ensure a smooth Long Bill booking process. See Chapter 2, Section 2.4 for more detail on this process for FY02-03. As a reminder, if you keep track of FTE counts on your APP2 records, any changes necessary should also be completed at this time.

2.2 Appropriation Type Codes

On the APP2 table, agencies should use only the "01" appropriation type code. According to the COFRS User Manual (Volume 2, Section 2, Page 2.13), there are four options for this field. However, only type "01" is currently operational. There is no system capability for automatically recording continuing appropriations. Therefore, a valid appropriation code must be established and approved in each fiscal year for all appropriations. See discussion of the NYTI process in Chapter 2, Section 1.

2.3 Spending Authority Indicators

All COFRS appropriation transactions (AP transactions) require a spending authority indicator (SAI) code. This code is intended to identify the source of the spending authority and not the type of funding for the appropriation. For example, SAI = 01 is to be used for all spending authority recorded using the annual Long Bill as the source for determining the amount and funding type (i.e., general, general exempt, cash, cash exempt, or federal).

These codes are listed on the COFRS SPND table. Information regarding the SAI codes is maintained on the SCO website. The descriptions on the website supersede the definitions in any previous SCO/COFRS Alerts. There are no significant changes in this year's definitions from the prior year. The SAI is essential to the production of statewide budget-to-actual statements and SCO's monthly budget reconciliation.

Also included on the website is a description of the documentation requirements for AP transactions. The requirements are listed by SAI. The list is not all-inclusive, nor does each documentation item need to be attached every time you use a particular code on an AP.

Please review both the SAI definitions and documentation requirements carefully. If you have any questions about their use, call your field accounting specialist.

2.4 Long Bill Recording - Overview

For FY02-03 we will use the same process for recording the Long Bill into COFRS that we used in FY01-02. The process is semi-automated, and COFRS SYAD Bulletin #201 provides a detailed discussion including examples of the reports with field descriptions.

The process uses approved APP2 records for the new year and current year AFSI, AFSC, AFSF and AFSG tables to create shell transactions that post to SUSF. Agencies may then modify the transactions as necessary and apply their 3rd level approval. Once this step is complete, the system automatically applies a 4th level approval during the nightly cycle. This 4th level approval generates a report that the field accounting services team (FAST) uses to review the transactions. The field accounting specialist then applies 5th level approval if the transactions are correct. The following sections provide a more detailed discussion of the steps.

2.4.1 Long Bill Recording - FY02-03 APP2 Tables

The first step in the process is for agencies to review their FY02-03 APP2 tables created by NYTI and create new FY02-03 APP2 records where needed. Soon after the NYTI process runs over the weekend of March 2, SCO produces a FOCUS report that lists all of an agency's FY02-03 APP2 records on the system. Specifically, the report lists the agency, funding source code, line item number, fund, appropriation code and appropriation code name. This report will be distributed to the agencies by the FAST and may be used as a tool for agencies to update APP2 records for FY02-03. Agencies may enter new APP2 records, but only field accounting specialists can change existing APP2 records. If changes need to be made to existing APP2 records, contact your field accounting specialist. Agencies need to use the preliminary copy of the Long Bill to accurately establish any new APP2 records.

The booking process is more efficient if all APP2 records for an agency are approved on the same day because all APP2 records with the same fund agency/funding source code will be combined on a single document. The system identifies all approved FY02-03 APP2 records for each agency/fund/funding source code combination in the nightly cycle of the day the APP2 records are approved. The system creates a shell AP document for each combination and posts that transaction to the suspense file (SUSF). In addition, because of this process, the system produces the BDA16R report that identifies all approved appropriation codes and their corresponding shell

AP documents. The transactions are on the report only on the day following the generation of the shell document. Once an APP2 record generates a shell transaction, a flag on the APP2 table will be automatically set so that APP2 will not generate another shell document in that fiscal year. If you have a shell document created that you do not want to use, please remember to delete the document.

2.4.2 Long Bill Recording - Shell Document

The shell generating program uses approved FY02-03 APP2 tables and the FY01-02 AFSI, AFSF, AFSC and AFSG (AFSx) tables as its sources to create base coding in the FY02-03 shell document. This shell document contains the following codes (actual field title in CAPS):

- ♦ BUDGET FY - Budget fiscal year 03.
- ♦ FUND - Fund per APP2.
- ♦ AGENCY - Agency per APP2.
- ♦ FUNDING SOURCE CODE - Funding source code per APP2.
- ♦ GEN EXEMPT DETAIL OPT, CASH EXEMPT DETAIL OPT, CASH DETAIL OPT, and/or FEDERAL DETAIL OPT - Detail options per FY01-02 AFSx tables; will default to "N" unless this same agency/fund/funding source code combination was annotated in the previous year, then the detail options will be the same as the FY01-02 options.
- ♦ B/A OPTION (on the AP Header) - Budget authority option per FY01-02 AFSx tables; if detail option = "N", B/A option will default to "E", if detail option = "Y", B/A option will default to blank. This is by appropriation type (GXCWF).
- ♦ APPR CODE - All appropriation codes within an agency, fund, funding source combination per APP2.
- ♦ REVENUE SOURCE - All revenue source codes for the combination per FY01-02 AFSx tables; if the combination was annotated in the FY01-02, the shell will carry the same codes as the previous year. If the combination was not annotated in FY01-02, field will default to blank.
- ♦ GXCWF - General, cash, federal, cash exempt, general exempt indicators based on revenue source codes. Will be blank if no RSRC's.
- ♦ B/A OPTION (on the AP line screens) - Budget authority option per FY01-02 AFSx tables; if revenue source code is populated, B/A option will default to "E"; if revenue source is blank, field will not populate.

The SAI code will not be included on the shell transaction. For documents recording the Long Bill, SAI "01" should be used. Please refer to the SCO website for a full discussion of SAI codes.

COFRS adds a "03" prefix for all agencies in the automatic document numbering table (ADNT) when the FY01-02 tables are rolled into FY02-03 by the NYTI process. If there is a "03" entry in ADNT for the agency, the shell process numbers the AP document as follows:

AP ACY FY000000001 to AP ACY FY999999999

| | | |
|-----------|---|--|
| ACY | = | Agency per applicable APP2 record(s) |
| FY | = | New budget fiscal year - 03 |
| 000000001 | = | Next sequential number from ADNT table |

If an ADNT entry "03" does not exist, the shell process numbers the AP transactions as follows:

AP ACY FYDDDD000001 to AP ACY FYDDDD999999

| | | |
|-----|---|-----------------------------------|
| ACY | = | Agency per applicable APP2 record |
| FY | = | New budget fiscal year - 03 |

DDD = Julian date shell created (1-365)
000001 = Sequential 1 to 99999 by Julian date

For example, under the second method, if the Department of Personnel creates 2 documents on May 31 (Julian date 151), they are numbered as follows:

AP AAA 0215100001

AP AAA 0215100002

2.4.3 Long Bill Recording - Completing and Approving the Shell Document

Shell documents, like any other AP document, may be added to, changed, or deleted, and they carry all system edits. Agencies should add all revenue source codes they anticipate needing for the fiscal year (activate the code with \$0). Once an agency has the AP completed and ready for approval, they should apply a 3rd level approval to the document. The system automatically applies a 4th level approval to the document in the nightly cycle of the day the 3rd level approval is applied. If an agency needs to correct a document after the 4th level has been applied, they must contact their field accounting specialist. Only field accounting specialists can remove the 4th level approval. In addition to the 4th level approval, the system produces a BDA17R report that is a screen print of all AP documents with 3rd and 4th level approvals awaiting SCO action. This report will serve as documentation for SCO's files. No other copies of the AP documents need to be submitted by the agency to SCO. Agencies need to have the 3rd level approval on all AP documents used to record the FY02-03 Long Bill by June 21.

The BDA17R alerts SCO field accounting specialists that documents are awaiting 5th level review and approval. If the document is correct, the field accounting specialist applies a 5th level approval and schedules the document for processing. If the document is not correct, the field accounting specialist removes the 3rd and 4th level approval and contacts the agency for necessary corrections. The BDA18R reports all accepted documents. This report is used by SCO for initial Long Bill reconciliation.

2.4.4 Long Bill Recording - Policy Matters and Other Issues

The automated Long Bill recording process begins running on March 29. The process is not only available for recording the Long Bill, but also may be used for recording nonappropriated spending authority, special bills, capital construction carryforwards, \$0 transactions to activate appropriation codes and revenue source codes, and any other appropriation action. The process will be turned off when the Long Bill is fully recorded and initially reconciled by SCO FAST.

When recording the Long Bill, remember to restrict your POTS appropriations (i.e., group health and life, short-term disability, and salary survey) if you do not plan to record expenditures directly against those lines. Also, work with your field accounting specialist to determine how federal amounts in the Long Bill will be recorded. Federal amounts may be restricted (e.g., 100%, 50%, 25%, etc.) or they may be recorded with an end date on the APP2 other than June 30 (e.g. December 31).

If you are using this process to record appropriation actions other than the Long Bill, the documentation requirements identified on the website in the SAI information apply. For example, if you are recording a new federal grant, the field accounting specialist will need a copy of the grant and the Illustration G.

To make sure this process is as efficient as possible, please coordinate with your field accounting specialist to schedule the approvals of APP2 records and AP transactions. It may be helpful to meet with your field accounting specialist prior to starting the book process. Also, make sure that

you are scheduled to receive the BDA16R, BDA17R, and BDA18R reports either in hard copy or on INFOPAC.

The FY02-03 Long Bill must be recorded by the agencies and approved and reconciled by the FAST by June 28. In order to accomplish this task, agencies must have all AP documents used to record the Long Bill completed and 3rd level approval applied by June 21. That will give the FAST time to apply the 5th level approval, obtain the final BDA18R reports, reconcile the reports to the Long Bill, contact the agencies with any errors or problems, and obtain and approve necessary correcting AP documents.

2.5 Federal Funds Appropriated as Cash Exempt in Legislative Appropriations

Agencies may receive a cash exempt legislative appropriation that is actually a 100 percent federal grant or contract from another state agency. If this is the case, the agency should record and restrict the cash exempt appropriation. When the recipient agency receives the award or contract from the other agency, the recipient agency should record the actual amount of the award as federal funds. If there is a need to have funds available at the beginning of the year, the agency may record an estimated amount of federal spending authority (e.g., 50% of the expected award). This must be done on a separate document from the original cash exempt appropriation. A spending authority indicator of "04" must be used on the document to record the estimate. In addition, the federal document must include all required documentation as identified in the SAI information on the SCO website. This section applies only if funds are 100% federal; it does not apply if the funds received from the other agency are a mix of federal and any other fund source.

2.6 Expense Budgets

Summary of Automated EB Process: The automated expense budget process creates "shell" EB transactions for the new fiscal year and loads them into the document suspense file (SUSF). This process is similar to the automated Long Bill booking process discussed in Chapter 2, Section 2.4. The shell EB transactions are created concurrently with or subsequent to creation of the corresponding shell AP transactions created by the Long Bill booking process (see additional discussion later in this section regarding shell EB transaction created subsequent to the creation of shell AP transactions).

Information in the shell EB transactions is copied from the prior fiscal year expense budget tables, but will not contain any dollar amounts. Agencies must complete the EB transactions by adding amounts, ensuring the accuracy of the account coding, and processing the transactions through to acceptance.

When the shell EB transactions are created, the AUTO AP/EB GENERATED field on APP2 table will be changed to "B". A new report titled Expense Budget Transactions Generation (BDA31R) that lists all shell EB transactions is created at the same time for viewing on INFOPAC.

The automated EB transactions run during each nightly cycle during the Long Bill booking period. The anticipated dates for this are March 29 through June 30. The automated EB process reads the APP2 table and looks for records that meet the following criteria (actual field names in CAPS):

- ♦ The BUDGET FY field is "03"
- ♦ The STATUS field is "A"
- ♦ The EXPENSE BUDGET CONTROL OPTION field is "C" (full control) or "P" (presence, control)
- ♦ The CENTRAL APPROVAL CODE field is "Y"

- ♦ The AUTO AP/EB GENERATED field is “N” (none) or “A” (AP generated)

Shell EB transactions are created for all records that meet these criteria. If an APP2 record is approved with the EXPENSE BUDGET CONTROL OPTION set at “N” (no control), an automated AP is generated, but no EB is generated. If this field is subsequently changed to “C” or “P” while the automated process is still active, an automated EB transaction is generated.

If a fiscal year ADNT table record exists, the EB transaction is numbered using the following format:

EB ACY FY000000001 to EB ACY FY999999999

| | | |
|-----------|---|--|
| ACY | = | Agency Code from APP2 |
| FY | = | New budget fiscal year - 03 |
| 000000001 | = | Next sequential number from ADNT table |

If no ADNT entry exists, the process numbers the EB transactions as follows:

EB ACY FYDDDD000001 to EB ACY FYDDDD999999

| | | |
|--------|---|---|
| ACY | = | Agency Code from APP2 |
| FY | = | New budget fiscal year - 03 |
| DDD | = | Julian date that shell was created (1-365) |
| 000001 | = | Sequentially numbered from ‘000001’ to ‘999999’ |

Once the automated EB process has identified records that meet the previously discussed criteria, the EB process scans the expense budget summary by organization inquiry table (ESU1) and the expense budget inquire table (EXPB) for the agency, fund, and appropriation code for the prior fiscal year. If an expense budget existed in the prior fiscal year, information is copied from ESU1 and EXPB and included in a new EB transaction. Fields populated include:

- ♦ FUND
- ♦ AGENCY
- ♦ ORGANIZATION
- ♦ APPROPRIATION CODE
- ♦ PROGRAM
- ♦ OBJECT LEVEL CODE
- ♦ SUB-OBJECT OPTION
- ♦ SPENDING CONTROL INDICATOR
- ♦ BUDGETED FTE
- ♦ DESCRIPTION

No dollar amounts are included on the shell EB transaction.

If no expense budget exists for the prior fiscal year, only the FUND, AGENCY, and APPROPRIATION CODE are copied from the APP2 into the new EB transaction. All other coding must be input by the agency.

Agencies will need to add dollar amounts, change any coding required, approve and schedule the documents for processing. All normal EB transaction edits apply.

The Expense Budget Transaction Generation report (BDA31R) is available on INFOPAC to help agencies identify the EB transactions that are loaded into SUSF. Agencies should review the reports on SUSF the day after their APP2 records are approved for a listing of EB transactions created. The transactions are on the report only on the day following the generation of the shell document.

Expense budgets must be established for each new fiscal year for agencies that use this budgetary control feature. Please ensure that your APP2 table records include the expense budget options desired for your agency. These sub-budgets must be established on COFRS prior to the acceptance of any pre-encumbrance or encumbrance transaction to ensure proper posting of those transactions.

2.7 Special Bill Recording

Legislative acts that contain appropriation clauses (special bills) should be recorded in the system as soon as possible in the new fiscal year. The semi-automated process discussed in Section 2.4 of this chapter may be used to record special bills, or the agency may manually produce AP's. Always use spending authority indicator "02" on AP transactions recording special bill appropriations.

Special bill appropriations should be recorded by August 30.

2.8 Nonappropriated Spending Authority

The recording of either new or carryforward nonappropriated spending authority may begin at any time after March 4. An agency may use the previously described semi-automatic booking process or may generate manual AP's. Zero dollar AP documents may be used to activate appropriation codes for nonappropriated spending authority prior to the actual carryforward or in higher education funds that have presence control. The next two subsections discuss the two main types of nonappropriated spending authority – federal funds and other custodial funds.

2.8.1 Carryforward of Federal Funds

Federal funds received directly from a federal source or indirectly from another state agency and have grant periods that do not expire at the end of the state fiscal year may be carried into the new state fiscal year. This may be done at any time appropriate for the agency after March 4. Agencies do not have to wait until FY01-02 closes to carryforward grants into FY02-03. However, if an agency wishes to carryforward a grant prior to the close of FY01-02, once the FY02-03 appropriation authority is recorded, the FY01-02 appropriation code will be deactivated. If you are requesting a carryforward prior to the close of FY01-02, ensure that all grant accounting transactions are complete – including revenue recognition. All AP transactions to record federal fund carryforwards should use a "04" spending authority indicator.

To carryforward a federal amount from FY01-02 to FY02-03 the agency must prepare an AP transaction and attach the appropriate documentation as described below:

- ♦ If the federal funds were 100 percent recorded in FY01-02 and are in a unique appropriation code (i.e., not commingled with cash, general appropriations, or other federal grants), provide a screen print of the applicable APPI and AFSI tables or a copy of the applicable page(s) of the BDA01R report. Also, indicate all AP's used in FY01-02 to record appropriation authority based on the grant – a screen print of the OLBL with the appropriate AP's noted is sufficient.
- ♦ If the federal funds were not 100 percent recorded in FY01-02, were 100 percent recorded but partially restricted, were recorded in an appropriation code with any general or cash

appropriation or other federal grants, or the carryforward request is for more than the remaining balance of FY01-02 (i.e., grant modifications), different documentation is required. In this case, a copy of the grant award, documentation of previous expenditures specific to the grant, and an Illustration G worksheet are required.

2.8.2 Carryforward of Custodial Funds

As with federal funds, custodial funds that are still available to an agency after the close of the state fiscal year may be carried forward into FY02-03. Custodial funds are essentially nonfederal gifts, donations, grants, and amounts held by an agency as a trustee (e.g., patient accounts). Custodial funds may or may not be exempt from the limitations of the TABOR amendment. To record the carryforward, the agency must prepare an AP transaction. To support the transaction, the agency must provide documentation of the source for funds (for TABOR purposes), and documentation of previous period expenditures.

If your agency has statutory authority to accept funds of this nature, use a spending authority indicator of “10” on AP transactions to record carryforwards. Always write the CRS cite on an AP document using an SAI “10.” If your agency does not have statutory authority but is recording custodial funds, use a spending authority indicator of “04” on the AP transactions. To appropriately use an “04” indicator, the agency must show that the donor has restricted the use of the funds for a particular purpose.

Recording custodial funds carryforwards may begin any time after March 4. As with federal funds, if the carryforward is done prior to close of FY01-02, the FY01-02 appropriation code will be deactivated when the FY02-03 appropriation is accepted.

2.9 Account Coding for Revenues Collected by the Department of Revenue for Other State Agencies

The Department of Revenue (DOR) collects various taxes and fees for several state agencies and posts these revenues directly to the recipient agencies' COFRS accounts. State agencies receiving funds collected by DOR are reminded that all new account coding or account coding changes must be provided to DOR and must be activated in COFRS prior to the start of the new fiscal year. This is essential to ensure the proper and timely posting of revenues.

DOR posts/distributes receipts daily on a single JV document. This daily posting also includes manual warrant (MW) transactions reflecting the issuance of refunds and a second JV document to record short checks. If any coding on the JV is not active in the system, the whole process rejects, thus delaying the posting of millions of dollars of state revenues. DOR has experienced problems in past fiscal years with the coding not being activated in COFRS or changes in coding not being communicated to them.

It is essential that agencies have this revenue coding activated in COFRS and communicated to DOR prior to the new fiscal year. Thus, in order to ensure that DOR can post revenue in FY02-03, the deadline for activating coding in COFRS and communicating with DOR is June 21. To activate coding contact your field accounting specialist.

Changes should be provided to either Vic Shaw or Dennis Carroll at:

Colorado Department of Revenue
1375 Sherman Street, Room 448
Denver, Colorado 80203

Vic Shaw may be reached at 303-866-3213 (e-mail: vshaw@spike.dor.state.co.us), Dennis Carroll may be reached at 303-866-5809 (e-mail: dcarroll@spike.dor.state.co.us), and DOR's fax number is 303-866-2400.

2.10 Overexpenditures Need to Be Restricted

AP transactions are needed to record a restriction of FY02-03 spending authority for any approved FY01-02 overexpenditure. SCO will request documents to accomplish these restrictions after they receive the Governor's approval to do so. If your agency must do a restriction of this type, please remember to use a restriction type of "O" (alpha) on the document. See Chapter 3, Section 1 for a full discussion of this issue. October 11 is the goal for recording these restrictions.

2.11 Use of the COFRS TA Transaction

The COFRS Transfer of Appropriation (TA) document is used to transfer appropriation authority from one appropriation code to another. However, since the TA does not have the capability to transfer the related annotated revenue sources, it cannot be used for transfers of annotated cash or federal funds. By policy, this makes the TA only available for use when transferring general funds.

CHAPTER 2: SECTION 3

REVENUE SOURCE NOTE ANNOTATIONS PROCEDURES

The Joint Budget Committee has concluded that the source and amount of funds (referred to as annotations) supporting a cash or cash exempt appropriation included in the Long Bill are part and parcel of the appropriation itself. As such, the SCO must monitor the source of funds in relation to the source annotations. The SCO will report all variation of the revenue source annotations to the JBC.

Following are guidelines that must be followed when booking the Long Bill so that the SCO may track compliance with the cash and cash exempt source annotations. Note, these procedures are only required when specific dollar amounts are delineated in the source note annotations.

3.1 Recording Annotations as Part of Budget Booking

1. When specific sources and dollar amounts are included in the source annotations, cash and cash exempt funded spending authority must be annotated with specific budgeted amounts when the Long Bill is booked. This does not apply to overall generic annotations such as "various sources," or annotations that only specify the fund from which the amount is coming and the activity is accounted for in that fund.
2. Each annotation reported in the Long Bill must have a unique revenue source code or set of revenue source codes **at the funding source code level** so that each annotation may be tracked separately on COFRS reports and screens. This may necessitate the creation of new revenue source codes. If you need a new revenue source code created, please contact your field accounting specialist. They will work with you to get the new code established in COFRS.
3. If an annotation is used across several Long Bill lines, referred to as bottom line funding (e.g., across the Long Bill group), the agency uses the same revenue source code(s) for like revenue across all the lines so that the SCO may roll up the amounts at the Long Bill group level to compare back to the annotation.
4. Any annotations that contain specific amounts as well as an "other" or "various" amount will be flexible up to the total of the "other" or "various" amount. That means the "other" amount may be from any of the sources already specified in the annotation or from another source. SCO will hold departments to the budgeted amounts in the annotation, but will allow "other" amounts to be re-allocated to the specified annotated amounts.

Example: Annotation is for \$1,000 in fees, \$1,000 in interest, and \$500 in "other." SCO would allow the agency to add up to the \$500 "other" amount into either of the specified revenue sources (not to exceed \$500 for both) or as a separate source. All of the following situations would be allowed:

| Situations | 1 | 2 | 3 | 4 |
|------------|-------|-------|-------|-------|
| Fees | 1,000 | 1,200 | 1,000 | 1,500 |
| Interest | 1,000 | 1,100 | 1,500 | 1,000 |
| Other | 500 | 200 | 0 | 0 |

5. Personal services lines that receive POTS allocations (centralized appropriations) will have an equal increase in the annotation(s) attached to those lines (i.e., the POTS amount will take on the nature of the line to which it is added). If the POTS amounts are annotated and

are transferred to a personal services line that does not already contain that annotations source, the agency will need to add the annotation to the personal services line. If both lines are annotated, either method will work.

6. Special bills will be included in annotated Long Bill lines only when it is clear from the language contained in the special bill that the amount appropriated is related to an existing Long Bill line/program. In these instances, the agency may increase the annotations in the line(s) by the amount included in the special bill(s) or, if applicable, new sources will be added in compliance with the special bill. All other special bills will use separate COFRS coding and be kept separate from annotated Long Bill lines.
7. When a valid cash to cash exempt transfer is allowed under CRS 24-75-107.5, the annotations will be adjusted accordingly with a decrease to the cash annotations for the amount of available spending authority and an equal increase in cash exempt spending authority. The annotation for the increase to cash exempt will follow whatever source the agency is using to cover the transfer (i.e., indirect costs, fund balance, etc.).

3.2 Monitoring

Diagnostic reports are generated on a monthly basis comparing budgeted and actual revenues by revenue source code (see Chapter 3, Section 3.21 & Chapter 5, Section 1). On a quarterly basis, the Field Accounting Services Team will review this diagnostic report and follow-up with agencies on variances as part of the quarterly reporting process. A final diagnostic report will be generated after period 13 close showing all variances with the budgeted annotations. After the SCO discusses these variances with the respective departments, this information will be communicated to the OSPB and JBC for informational purposes. It is important to note that these amounts do not constitute an overexpenditure as defined by CRS 24-75-109. Any questions about this process should be directed to your field accounting specialist.

CHAPTER 2: SECTION 4

REQUESTS FOR INTERIM SPENDING AUTHORITY AUTHORIZED BY CRS 24-75-111

4.1 Background

When the General Assembly is not in session, CRS 24-75-111 establishes a process to provide appropriation authority to state agencies because of unforeseen circumstances. Specifically, the law authorizes the State Controller's Office (SCO) to allow agency overexpenditures when approved by the Office of State Planning and Budgeting (OSPB), as applicable, the Capital Development Committee (CDC), if related to a capital construction project, and the Joint Budget Committee (JBC) in anticipation of an approved supplemental appropriation. The law further authorizes the State Controller to restrict an agency's spending authority in the following year when a supplemental appropriation is not approved by the General Assembly. This process is for use in emergency situations only.

4.2 Process For Submitting Requests

The process for submitting requests for both non capital construction and capital construction follow.

4.2.1 Non Capital Construction Requests

Requests for interim spending authority should be consistent with all statutory provisions applicable to the program, function, or purpose for which the request is made, including the provisions of appropriation acts. This means the request should conform with or address existing statutes, Long Bill line items, the need for new Long Bill line items and any related revenue source annotations associated with the original appropriation. All relevant documentation supporting the request should be included with the submission. Department staff should involve related contacts at OSPB, JBC, and the SCO as they prepare requests so each of the central oversight agencies are aware of the request and may provide input into its preparation.

Once complete, requests for interim spending authority are submitted to OSPB for review and approval. A copy is submitted to the SCO at the same time. Once approved by OSPB, the requests are forwarded from OSPB to the JBC for review and approval. Requests for interim spending authority submitted by the Departments of Law, Treasury, State, the Judicial department, and the Legislature may be submitted directly to the JBC for review and approval.

A request must be approved, in whole or in part by a majority vote of the JBC. If approved, the JBC sends a letter to the State Controller notifying of such approval. The approval includes certification that the JBC intends to introduce a supplemental appropriation to cover the request during the fiscal year in which the request occurred.

The SCO reviews and approves requests for interim spending authority based on the following factors:

- a. Nature of the unforeseen circumstances and verification that an overexpenditure will result if the request is not approved before a supplemental bill is passed.
- b. Compliance of the request with all relevant statutes, including existing appropriations acts.
- c. Approval by the required central oversight agencies (OSPB, CDC, and JBC).

Should a request be denied, the submitting agency may submit a revised request.

Upon approval, the SCO notifies the agency and requests submission of appropriate appropriations documents. A spending authority indicator of “03” should be used since the request will ultimately be approved by the General Assembly as a supplemental appropriation.

4.2.2 Capital Construction Requests

For requests involving capital construction projects, requests should be completed as described above. (CDC and State Buildings staff should be included in discussions as appropriate.) However, once approved by OSPB, capital construction requests are submitted to the CDC for review and approval. Requests for the Departments of Law, Treasury, State, the Judicial department, and the Legislature may be submitted directly to the CDC for review and approval. Once approved by the CDC, the CDC forwards the request with a letter signifying CDC approval to the JBC. The process followed by the JBC is the same as for non-capital construction requests outlined in the previous section.

4.3 Follow-up and Final Resolution

The SCO maintains a log of all approved interim spending authority requests processed during the fiscal year. The SCO provides a report detailing all approved requests to OSPB and the JBC periodically throughout the year. During the legislative session, SCO staff reviews all requests to ensure they are supported by approved supplemental appropriation acts.

If an interim request is not supported by an approved supplemental appropriation act, appropriation documents are processed reversing the interim spending authority (also processed with a spending authority indicator “03”). Any resulting overexpenditure from this reversal will be addressed through the normal transfer/overexpenditure process established by the SCO (refer to Chapter 3, Section 1).

Once all supplemental bills have been approved, the SCO provides a final report to OSPB, CDC and JBC summarizing the status of all interim spending authority requests submitted during the year.